

Report of	Meeting	Date
Head of Shared Assurance Services	Audit Committee	30/09/10

NATIONAL FRAUD INITIATIVE

PURPOSE OF REPORT

1. The purposes of this report are:

- to remind members of the work undertaken by the Council in respect of the Audit Commission's National Fraud Initiative (NFI);
- to provide members with an NFI briefing note recently issued by the Audit Commission incorporating a checklist which has been completed on members behalf;
- to demonstrate that the Council is complying with and contributing effectively to the NFI.

RECOMMENDATIONS

2. That members note the report.

CORPORATE PRIORITIES

3. This report relates to the following Strategic Objectives:

Strengthen Chorley's economic position in the central Lancashire sub region		Develop local solutions to climate change	
Improving equality of opportunity and life chance		Develop the character and feel of Chorley as a great place to live	
Involving people in their Communities		Ensure Chorley is a consistently top performing organisation	✓

BACKGROUND

An Overview of the Audit Commission's National Fraud Initiative

4. The NFI exercise has been carried out every two years since 1996. In 2007 the Audit Commission introduced the Single Person Discount NFI Exercise, which is carried out in the interim year. A total of £664million nationally in fraudulent claims has been identified so far.

5. The Audit Commission runs the National Fraud Initiative (NFI) to help detect fraud, overpayments and error. The NFI is a data matching exercise, using sophisticated computer techniques which matches data within and between organisations. Over 1300 public and private organisations are involved.
6. Various information is compared including: benefits, insurance, payroll, creditors, taxi and personal alcohol licence, market traders, residents parking permits; concessionary Now Card data; the electoral register and council tax records.
7. The NFI works within a strong legal framework, namely the Data Protection Act 1998 and the Audit Commission Code of Data Matching Practice. The Information Services section is involved with the data submission process and all the data is transferred over a secure network.
8. NFI is a key weapon in our armoury to tackle fraud and provides an excellent example of what can be achieved when organisations combine forces to tackle growing fraud risks. Fraud prevention is often beyond the means of individual organisations as they have limited powers and means to share data between departments and with other bodies.

Roles & Responsibilities at SRBC

9. The Senior Responsible Officer for this exercise is the Director of Transformation, assisted by Internal Audit who co-ordinate the Council's input. The investigations are undertaken by Internal Audit and the Benefits Enquiry Unit. In addition, a great deal of support is provided by services across the Council.

Audit Commission's National Report

10. The Audit Commission is keen to ensure that elected members should be effectively engaged in the NFI exercise. For that reason they produced a Members' Briefing in May 2010 to provide an overview to members of the contents of the National Report, please refer to Appendix 1. A checklist was also developed to help members understand and assess the Council's approach to NFI. To assist Members Internal Audit has completed the checklist, which can be found in Appendix 2.

IMPLICATIONS OF THE REPORT

11. The matters raised in the report are cross cutting and impact upon individual services and the council as a whole.

GARRY BARCLAY
HEAD OF SHARED ASSURANCE SERVICES

Background Papers			
Document	Date	File	Place of Inspection
Audit Commission National Fraud Initiative 2008/9 Members' Briefing	2010	Shared Assurance Services	Town Hall

Report Author	Ext	Date	Doc ID
Linsey Roberts	01257 515466	3 rd September 2010	CBC NFI Members Briefing Report